

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Hearing Date: April 3, 2025 at 10:00 a.m. (ET)

Objections Due: April 1, 2025 at 4:00 P.M. (ET)

**FIRST INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT
OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP, AS COUNSEL
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR
THE PERIOD FROM NOVEMBER 21, 2024 THROUGH JANUARY 31, 2025**

| | |
|--|--|
| Name of Applicant: | Pachulski Stang Ziehl & Jones LLP |
| Authorized to Provide Professional Services to: | The Official Committee of Unsecured Creditors |
| Date of Retention: | Effective as of November 21, 2024 by Order signed January 28, 2025 |
| Period for which Compensation and Reimbursement is Sought: | November 21, 2024 – January 31, 2025 ² |

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy's Newco, LLC (5404), Buddy's Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies "Plus", LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors' headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

² Applicant reserves the right to include any time expended in the time period indicated above in future application(s) if it is not included herein.

| | |
|---|---|
| Name of Applicant: | Pachulski Stang Ziehl & Jones LLP |
| Amount of Compensation Sought as Actual, Reasonable and Necessary: | \$2,743,908.25 |
| Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary: | \$37,788.22 |
| Rates are Higher than those Approved or Disclosed at Retention? Yes___ No <u>X</u> If yes, Total Compensation Sought Using Rates Disclosed in Retention Application: | As disclosed in its retention application the Firm's standard hourly rates are subject to periodic adjustment. The actual rates charged are disclosed herein and in the attached invoices |
| Compensation Sought in this Application Already Paid Pursuant to a Monthly Compensation Order but not yet Allowed: | \$382,712.80 |
| Expenses Sought in this Application Already Paid Pursuant to a Monthly Compensation Order but not yet Allowed: | \$1,641.39 |
| Number of Professionals Included in this Application: | 21 |
| If Applicable, Number of Professionals in this Application not Included in Staffing Plan Approved by Client: | N/A |
| Number of Professionals Billing Fewer than 15 Hours to the Case During this Period: | 3 |

This is a: ☐ monthly ☒ interim ☐ final application.

The total time expended for fee application preparation is approximately 6.0 hours and the corresponding compensation requested is approximately \$3,900.00.

PRIOR APPLICATIONS FILED

| Date Filed | Period Covered | Requested Fees | Requested Expenses | Approved Fees | Approved Expenses |
|------------|---------------------|----------------|--------------------|---------------|-------------------|
| 2/3/25 | 11/21/24 – 11/30/24 | \$478,391.00 | \$1,641.39 | \$382,712.80 | \$1,641.39 |
| 3/5/25 | 12/1/24 – 12/31/24 | \$1,193,249.25 | \$34,762.32 | Pending | Pending |
| 3/11/25 | 1/1/25 – 1/31/25 | \$1,072,268.00 | \$2,384.51 | Pending | Pending |

PSZJ PROFESSIONALS

| Name of Professional Individual | Position of the Applicant, Year of Obtaining License to Practice | Hourly Billing Rate (including Changes) | Total Hours Billed | Total Compensation |
|--|---|--|---------------------------|---------------------------|
| Kornfeld, Alan J. | Partner, 1987 | \$1,995.00 | 36.60 | \$73,017.00 |
| Kornfeld, Alan J. | Partner, 1987 | \$1,895.00 | 41.80 | \$76,285.00 |
| Sandler, Bradford J. | Partner, 1996 | \$1,895.00 | 68.50 | \$129,807.50 |
| Sandler, Bradford J. | Partner, 1996 | \$1,725.00 | 147.10 | \$253,747.50 |
| Sandler, Bradford J. | Partner, 1996 | \$862.50 | 7.00 | \$6,037.50 |
| Wallen, Ben L. | Partner, 2016 | \$1,075.00 | 1.40 | \$1,505.00 |
| Wallen, Ben L. | Associate, 2016 | \$975.00 | 11.30 | \$11,017.50 |
| Glazer, Gabriel I. | Partner, 2006 | \$1,650.00 | 3.30 | \$5,445.00 |
| Glazer, Gabriel I. | Partner, 2006 | \$1,495.00 | 37.30 | \$55,763.50 |
| Demo, Gregory V. | Partner, 2008 | \$1,525.00 | 2.00 | \$3,050.00 |
| Demo, Gregory V. | Partner, 2008 | \$1,395.00 | 46.00 | \$64,170.00 |
| Demo, Gregory V. | Partner, 2008 | \$697.50 | 4.60 | \$3,208.50 |
| Nasatir, Iain A.W. | Partner, 1983 | \$1,650.00 | 3.30 | \$5,445.00 |
| Nasatir, Iain A.W. | Partner, 1983 | \$1,525.00 | 18.00 | \$27,450.00 |
| O'Neill, James E. | Partner, 2001 | \$1,475.00 | 3.90 | \$5,752.50 |
| Walker, Jim W. | Partner, 1985 | \$1,975.00 | 169.60 | \$334,960.00 |
| Walker, Jim W. | Partner, 1985 | \$1,825.00 | 115.00 | \$209,875.00 |
| Litvak, Maxim B. | Partner, 1997 | \$1,725.00 | 21.60 | \$37,260.00 |
| Litvak, Maxim B. | Partner, 1997 | \$1,525.00 | 19.20 | \$29,280.00 |
| Labov, Paul J. | Partner, 2002 | \$1,595.00 | 25.60 | \$40,832.00 |
| Labov, Paul J. | Partner, 2002 | \$1,450.00 | 121.50 | \$176,175.00 |
| Labov, Paul J. | Partner, 2002 | \$725.00 | 8.70 | \$6,307.50 |
| Feinstein, Robert J. | Partner, 1982 | \$1,950.00 | 32.70 | \$63,765.00 |
| Feinstein, Robert J. | Partner, 1982 | \$1,850.00 | 80.80 | \$149,480.00 |
| Feinstein, Robert J. | Partner, 1982 | \$925.00 | 7.00 | \$6,475.00 |
| Cho, Shirley S | Partner, 1997 | \$1,525.00 | 7.30 | \$11,132.50 |
| Cho, Shirley S | Partner, 1997 | \$1,395.00 | 29.80 | \$41,571.00 |
| Levine, Beth E. | Counsel, 1993 | \$1,350.00 | 57.50 | \$77,625.00 |
| Levine, Beth E. | Counsel, 1993 | \$1,225.00 | 92.30 | \$113,067.50 |
| Levine, Beth E. | Counsel, 1993 | \$612.50 | 6.00 | \$3,675.00 |
| Robinson, Colin R. | Counsel, 2001 | \$1,325.00 | 44.80 | \$59,360.00 |
| Robinson, Colin R. | Counsel, 2001 | \$1,195.00 | 83.70 | \$100,021.50 |
| Kroop, Jordan A. | Counsel, 1995 | \$1,625.00 | 45.40 | \$73,775.00 |
| Kim, Jonathan J. | Counsel, 1995 | \$1,425.00 | 24.60 | \$35,055.00 |
| Kim, Jonathan J. | Counsel, 1995 | \$1,295.00 | 40.40 | \$52,318.00 |

| Name of Professional Individual | Position of the Applicant, Year of Obtaining License to Practice | Hourly Billing Rate (including Changes) | Total Hours Billed | Total Compensation |
|--|---|--|---------------------------|---------------------------|
| Brandt, Gina F. | Counsel, 1976 | \$1,195.00 | 2.30 | \$2,748.50 |
| Dine, Jeffrey M. | Counsel, 1996 | \$1,495.00 | 17.10 | \$25,564.50 |
| Winograd, Hayley R. | Associate, 2018 | \$1,150.00 | 31.10 | \$35,765.00 |
| Winograd, Hayley R. | Associate, 2018 | \$1,075.00 | 14.60 | \$15,695.00 |
| Corma, Edward A. | Associate, 2018 | \$795.00 | 19.30 | \$15,343.50 |
| Heckel, Theodore S. | Associate, 2018 | \$1,225.00 | 28.70 | \$35,157.50 |
| Heckel, Theodore S. | Associate, 2018 | \$1,075.00 | 165.60 | \$178,020.00 |
| Heckel, Theodore S. | Associate, 2018 | \$537.50 | 7.10 | \$3,816.25 |
| Bates, Andrea T. | Paralegal | \$650.00 | 30.10 | \$19,565.00 |
| Bates, Andrea T. | Paralegal | \$595.00 | 27.50 | \$16,362.50 |
| LaBrada, Kerri | Paralegal | \$625.00 | 3.30 | \$2,062.50 |
| Dassa, Beth D. | Paralegal | \$595.00 | 0.30 | \$178.50 |
| Knotts, Cheryl A. | Paralegal | \$545.00 | 1.20 | \$654.00 |
| Hall, Nathan J. | Paralegal | \$545.00 | 5.90 | \$3,215.50 |
| Cuniff, Patricia E. | Paralegal | \$595.00 | 7.50 | \$4,462.50 |
| Jeffries, Patricia J. | Paralegal | \$595.00 | 0.80 | \$476.00 |
| Forrester, Leslie A. | Library | \$675.00 | 0.30 | \$202.50 |
| Forrester, Leslie A. | Library | \$645.00 | 2.80 | \$1,806.00 |
| Paul, Andrea R. | Case Management Assistant | \$495.00 | 1.20 | \$594.00 |
| Paul, Andrea R. | Case Management Assistant | \$475.00 | 5.90 | \$2,802.50 |
| Bouzoukis, Charles J. | Case Management Assistant | \$495.00 | 5.00 | \$2,475.00 |
| Bouzoukis, Charles J. | Case Management Assistant | \$475.00 | 9.40 | \$4,465.00 |
| Arnold, Gary L. | Case Management Assistant | \$495.00 | 37.00 | \$18,315.00 |
| Arnold, Gary L. | Case Management Assistant | \$475.00 | 22.00 | \$10,450.00 |
| Total | | | 1911.60 | \$2,743,908.25 |

Total: \$2,743,908.25
Total Hours: 1,911.60
Blended Rate: \$1,435.40

COMPENSATION BY CATEGORY

| Project Categories | Total Hours | Total Fees |
|---|--------------------|-----------------------|
| Asset Analysis and Recovery | 0.50 | \$637.50 |
| Asset Disposition | 135.10 | \$196,649.00 |
| Appeals | 79.90 | \$127,510.00 |
| Bankruptcy Litigation | 734.10 | \$1,166,356.50 |
| Case Administration | 127.00 | \$117,921.50 |
| Claims Administration and Objections | 10.70 | \$16,041.50 |
| PSZJ Compensation | 10.30 | \$9,959.50 |
| Other Professional Compensation | 9.80 | \$16,046.00 |
| Contract and Lease Matters | 20.30 | \$23,964.50 |
| First/Second Day Matters | 41.90 | \$51,098.00 |
| Financial Filings | 2.00 | \$3,475.00 |
| Financing/Cash Collateral/Cash Management | 136.20 | \$196,506.50 |
| General Creditors' Committee | 47.50 | \$72,592.00 |
| Hearings | 177.80 | \$215,123.50 |
| Insurance Coverage | 21.60 | \$32,781.00 |
| Meetings of and Communications with Creditors | 2.80 | \$3,346.00 |
| Litigation (Non-Bankruptcy) | 4.60 | \$8,550.00 |
| Operations | 32.60 | \$48,705.00 |
| Plan and Disclosure Statement | 202.10 | \$314,179.00 |
| Relief From Stay | 0.80 | \$1,317.00 |
| PSZJ Retention | 18.30 | \$17,417.50 |
| Other Professional Retention | 55.30 | \$74,212.00 |
| Travel (billed at 50% rate) | 40.40 | \$29,519.75 |
| Totals | 1911.60 | \$2,743,908.25 |

EXPENSE SUMMARY

| Expense Category | Total Expenses |
|-----------------------------|-----------------------|
| Air Fare | \$876.96 |
| Auto Travel Expense | \$2,270.63 |
| Bloomberg | \$302.25 |
| Working Meals | \$60.18 |
| Delivery/Courier Service | \$105.00 |
| Federal Express | \$117.73 |
| Court Fees | \$350.00 |
| Hotel Expense | \$1,881.86 |
| Lexis/Nexis- Legal Research | \$2,137.90 |
| Litigation Support Vendors | \$618.00 |
| Pacer - Court Research | \$1,120.90 |
| Postage | \$56.82 |
| Reproduction Expense | \$4,899.20 |
| Online Research | \$6,164.75 |
| Transcript | \$17,826.04 |
| Total | \$38,788.22 |

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Hearing Date: April 3, 2025 at 10:00 a.m. (ET)
Objections Due: April 1, 2025 at 4:00 P.M. (ET)

**FIRST INTERIM APPLICATION FOR COMPENSATION AND REIMBURSEMENT
OF EXPENSES OF PACHULSKI STANG ZIEHL & JONES LLP, AS COUNSEL
FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR
THE PERIOD FROM NOVEMBER 21, 2024 THROUGH JANUARY 31, 2025**

Pursuant to sections 330 and 331 of Title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively, the “Bankruptcy Rules”) and the Court’s *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, signed on or about December 6, 2024 [Docket No. 353] (the “Administrative Order”), and the *Order Appointing Fee Examiner and Establishing*

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

Procedures for Consideration and Reimbursement of Expenses, signed on or about January 15, 2025 [Docket No. 747] (the “Fee Examiner Order”), Pachulski Stang Ziehl & Jones LLP (“PSZJ” or the “Firm”), counsel to the Official Committee of Unsecured Creditors (the “Committee”), hereby submits its *First Interim Application for Compensation and for Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel to the Official Committee of Unsecured Creditors for the Period from November 21, 2024 through January 31, 2025* (the “Application”).

By this Application PSZJ seeks an interim allowance of compensation in the amount of \$2,743,908.25 and actual and necessary expenses in the amount of \$38,788.22 for a total allowance of \$2,782,696.47 and payment of the unpaid amount of such fees and expenses for the period November 21, 2024 through January 31, 2025 (the “Fee Period”). In support of this Application, PSZJ respectfully represents as follows:

Background

1. On November 3, 2024 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. The Debtors are authorized to continue operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ chapter 11 cases are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. No request for the appoint of a trustee or examiner has been made in these chapter 11 cases.

2. On November 19, 2024, the Office of the United States Trustee appointed the Committee in this case pursuant to 11 U.S.C. § 1102 [Docket No. 188]. The members appointed to the Committee are (i) Nestle and its Subsidiaries, including Nestle Purina Petcare, Nestle USA, Garden of Life, Orgain, & Atrium; (ii) Solstice Sleep Company; (iii) Federal Warranty Service

Corporation; (iv) NNN REIT, LP (fka National Retail Properties); and (v) Jennifer Walker, Individually and in her Capacity as Putative Class Representative.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

4. On December 6, 2024, the Court entered the Administrative Order, authorizing estate professionals (“Professionals”) to submit applications for interim compensation and reimbursement for expenses, pursuant to the procedures specified therein. The Administrative Order provides, among other things, that a Professional may submit monthly fee applications. If no objections are made within twenty-one (21) days after service of the monthly fee application the Debtors are authorized to pay the Professional eighty percent (80%) of the requested fees and one hundred percent (100%) of the requested expenses. Beginning with the period November 3, 2024 through January 31, 2025, and at three-month intervals or such other intervals convenient to the Court, each of the Professionals may file and serve an interim application for allowance of the amounts sought in its monthly fee applications for that period. All fees and expenses paid are on an interim basis until final allowance by the Court.

5. On January 15, 2025, the Court entered the Fee Examiner Order to assist the Court in its determination of whether the Applications submitted by Professionals are compliant with the Bankruptcy Code, all applicable Bankruptcy Rules, the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware and the Administrative Order. The terms and conditions of the Administrative Order shall not be modified by the Fee Examiner Order, except that not later than three (3) business days after the filing of an Application, an Estate Retained Professional² shall send to the Fee Examiner via electronic mail

² Capitalized terms used but not otherwise defined in this Application have the meaning given to such terms in the Fee Examiner Order.

such Application and any time entries and the expense detail filed therewith in Adobe Acrobat (pdf) format and searchable electronic format (in LEDES, or Excel, as specified by the Fee Examiner), as applicable Fee Detail. If any Estate Retained Professional cannot reasonably convert its Fee Detail to the electronic formats described above, the Fee Examiner and the Estate Retained Professionals shall cooperate in good faith to agree on an appropriate electronic format.

6. The retention of PSZJ, as counsel to the Committee, was approved effective as of November 21, 2024, by this Court's *Order Authorizing the Employment and Retention of Pachulski Stang Ziehl & Jones LLP as Counsel to the Official Committee of Unsecured Creditors Effective as of November 21, 2024* [Docket No. 854] (the "Retention Order"). The Retention Order authorized PSZJ to be compensated on an hourly basis and to be reimbursed for actual and necessary out-of-pocket expenses.

7. Attorneys retained pursuant to sections 327 or 1103 of the Bankruptcy Code must comply with certain requirements of the *United States Trustee's Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. §330 by Attorneys in Larger Chapter 11 Cases* (the "Revised UST Guidelines"). The Office of the United States Trustee has promulgated forms to aid in compliance with the Revised UST Guidelines. Charts and tables based on such forms are attached hereto as exhibits and filled out with data to the extent relevant to these cases: **Exhibit A**, Customary and Comparable Compensation Disclosures with Fee Applications; **Exhibit B**, Summary of Timekeepers Included in this Fee Application, **Exhibit C**, Staffing Plan; **Exhibit D-1**, Summary of Compensation Requested by Project Category; **Exhibit D-2**, Summary of Expense Reimbursement Requested by Category; and **Exhibit E**, Summary Cover Sheet of Fee Application.

**PSZJ's APPLICATION FOR COMPENSATION AND
FOR REIMBURSEMENT OF EXPENSES**

Compensation Paid and Its Source

8. The monthly fee applications (the "Monthly Fee Applications") for the periods November 21, 2024 through January 31, 2025 of PSZJ have been filed and served pursuant to the Administrative Order.

9. On February 3, 2025, PSZJ filed its *First Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel to the Official Committee of Unsecured Creditors, for the Period from November 21, 2024 through November 30, 2024* (the "First Monthly Fee Application") requesting \$478,391.00 in fees and \$1,641.39 in expenses. PSZJ has received payment on account of the First Monthly Fee Application in the amount of \$382,712.80 (80% of the allowed fees pursuant to the Administrative Order) and reimbursement of expenses in the amount of \$1,641.39 (100% of allowed expenses pursuant to the Administrative Order).

10. On March 5, 2025, PSZJ filed its *Second Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel to the Official Committee of Unsecured Creditors, for the Period from December 1, 2024 through December 31, 2024* (the "Second Monthly Fee Application") requesting \$1,193,249.25 in fees and \$34,762.32 in expenses. The Second Monthly Fee Application is pending. The deadline for objections to the Second Monthly Fee Application is March 26, 2025.

11. On March 11, 2025, PSZJ filed its *Third Monthly Application for Compensation and Reimbursement of Expenses of Pachulski Stang Ziehl & Jones LLP, as Counsel to the Official Committee of Unsecured Creditors, for the Period January 1, 2025 through January 31, 2025* (the "Third Monthly Fee Application") requesting \$1,072,268.00 in fees and \$2,384.51 in expenses.

The Third Monthly Fee Application is pending. The deadline for objections to the Third Monthly Fee Application is April 1, 2025.

12. The Monthly Fee Applications covered by this Application contain detailed daily time logs describing the actual and necessary services provided by PSZJ during the periods covered by such applications as well as other detailed information required to be included in fee applications.

Requested Relief

13. By this Application, PSZJ requests that the Court approve payment of one-hundred percent (100%) of the fees and expenses incurred by PSZJ during the Interim Period of November 21, 2024 through January 31, 2025.

14. At all relevant times, PSZJ has not represented any party having an interest adverse to these cases.

15. All services for which PSZJ requests compensation were performed for or on behalf of the Committee, and not on behalf of the Debtors, any other committee, creditor or other person.

16. PSZJ, and any partner, of counsel, or associate thereof, have received no payment and no promises for payment from any source other than from the Debtors for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between PSZJ and any other person other than among the partners, of counsel, or associates of PSZJ for the sharing of compensation to be received for services rendered in these cases.

17. The professional services and related expenses for which PSZJ requests interim allowance of compensation and reimbursement of expenses were rendered and incurred in connection with these cases in the discharge of PSZJ's professional responsibilities as attorneys

for the Committee in these chapter 11 cases. PSZJ's services have been necessary and beneficial to the Committee, the Debtors and their estates, creditors and other parties in interest.

18. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, it is respectfully submitted that the amount requested by PSZJ is fair and reasonable given (a) the complexity of the case, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under the Bankruptcy Code. Moreover, PSZJ has reviewed the requirements of Del. Bankr. LR 2016-2 and the Administrative Order and believes that this Application complies with such Rule and Order.

Statement from PSZJ

19. Pursuant to the Appendix B Guidelines for Reviewing Application for Compensation and Reimbursement of Expenses Filed under the United States Code by Attorneys in Larger Chapter 11 Cases, PSZJ responds to the following questions regarding the Application:

| Question | Yes | No | Additional Explanation or Clarification |
|---|-----|-----|---|
| Did you agree to any variations from, or alternatives to, your standard or customary billing rates, fees or terms for services pertaining to this engagement that were provided during the application period? If so, please explain. | | No | |
| If the fees sought in this fee application as compared to the fees budgeted for the time period covered by this fee application higher by 10% or more, did you discuss the reasons for the variation with the client? | | N/A | |
| Have any of the professionals included in this fee application varied their hourly rate based on the geographic location of the bankruptcy case? | | No | |

| Question | Yes | No | Additional Explanation or Clarification |
|--|-----|----|--|
| Does the fee application include time or fees related to reviewing or revising time records or preparing, reviewing, or revising invoices? | Yes | | 1.60 hours were spent reviewing/revising invoices in connection with preparation of fee applications for a total of \$1,040.00 |
| Does this fee application include time or fees for reviewing time records to redact any privileged or other confidential information? If so, please quantify by hours and fees. | Yes | | 5.4 hours were spent reviewing/revising invoices in connection with preparation of fee applications for a total of \$5,265.00 |
| <p>If the fee application includes any rate increases since retention in these Cases:</p> <p>i. Did your client review and approve those rate increases in advance?</p> <p>ii. Did your client agree when retaining the law firm to accept all future rate increases? If not, did you inform your client that they need not agree to modified rates or terms in order to have you continue the representation, consistent with ABA Formal Ethics Opinion 11-458?</p> | Yes | | As is customary, pursuant to its internal operating procedures, PSZJ revisits, and potentially adjusts, the rates of its professionals periodically. |

WHEREFORE, PSZJ respectfully requests that, for the period November 24, 2024 through January 31, 2025, an interim allowance be made to PSZJ for compensation in the amount of \$2,743,908.25 and actual and necessary expenses in the amount of \$38,788.22 for a total allowance of \$2,782,696.47 and that the Debtors be authorized and directed to pay to PSZJ the outstanding amount of such sums; and for such other and further relief as may be just and proper.

Dated: March 11, 2025

Respectfully submitted,

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

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*Counsel to the Official Committee
of Unsecured Creditors*

DECLARATION

STATE OF DELAWARE :
:
COUNTY OF NEW CASTLE :

Colin R. Robinson, after being duly sworn according to law, deposes and says:

a) I am counsel with the applicant law firm Pachulski Stang Ziehl & Jones LLP, and am admitted to appear before this Court.

b) I am familiar with the legal services rendered by PSZJ as counsel to the Committee.

c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del. Bankr. LR 2016-2, the Administrative Order signed on or about December 6, 2024, and the Fee Examiner's Order signed on or about January 15, 2025, and submit that the Application substantially complies with such rule and orders.

/s/ Colin R. Robinson

Colin R. Robinson